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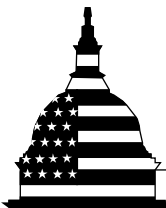
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Testimony

Before the Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform, Committee on Oversight and Government Reform, House of Representatives

INFORMATION TECHNOLOGY

Potentially Duplicative Investments Exist at the Departments of Defense and Energy

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February 17, 2012

Chairman Lankford, Ranking Member Connolly, and Members of the Subcommittee:

I am pleased to be here today to discuss the potentially duplicative information technology (IT) investments at selected agencies and actions these agencies are taking to address them. With at least $79 billion spent in fiscal year 2011 by the United States government on IT investments, it is important that federal agencies avoid investing in duplicative investments, whenever possible, to ensure the most efficient use of resources.

Last year, we issued a comprehensive report that identified federal programs or functional areas where unnecessary duplication, overlap, or fragmentation exists; the actions needed to address such conditions; and the potential financial and other benefits of doing so.[1] More recently, we reported on the Office of Management and Budget's (OMB) and federal agencies' oversight of IT investments and the initiatives under way to address potentially duplicative IT investments.[2] Specifically, we recently reported that there are hundreds of IT investments providing similar functions across the federal government. For example, agencies reported about 1,500 investments that perform general information and technology functions, about 775 supply chain management investments, and about 620 human resource management investments.

You asked us to testify on our report being released today that describes the extent to which potentially duplicative IT investments exist within these three categories, including the actions agencies are taking to address them.[3] In this regard, my testimony specifically covers potentially duplicative investments we identified at three of the largest agencies with respect to number of investments–the Departments of Defense (DOD), Energy (DOE), and Homeland Security (DHS). In preparing this testimony, we relied on the GAO report being released at today's hearing.

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[1]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

[2]GAO, *Information Technology: OMB Needs to Improve Its Guidance on IT Investments,* GAO-11-826 (Washington, D.C.: Sept. 29, 2011).

[3]GAO, *Information Technology: Departments of Defense and Energy Need to Address Potentially Duplicative Investments,* GAO-12-241 (Washington, D.C.: Feb. 17, 2012).

In that report, to identify potentially duplicative IT investments within each of the selected agencies, we analyzed a subset of investment data from OMB's exhibit 53 to identify investments with similar functionality.[4] Specifically, we reviewed 810, or 11 percent, of the approximately 7,200 IT investments federal agencies report to OMB through the exhibit 53. Our review represents approximately 24 percent of DOD's IT portfolio in terms of the number of investments that they report to OMB, 19 percent of DOE's, and 16 percent of DHS's. We then reviewed the name and narrative description of each investment's purpose to identify similarities among related investments within each agency (we did not review investments across agencies).[5] This formed the basis of establishing groupings of similar investments. We discussed the groupings with each of the selected agencies, and we obtained further information from agency officials and reviewed and assessed agencies' rationales for having multiple systems that perform similar functions. Additionally, when analyzing each investment's description, we compared the investment's designated Federal Enterprise Architecture (FEA)[6] primary category and sub-category with OMB's definitions for each FEA primary category and sub-category and determined whether the investment was placed in the correct FEA category. We obtained additional information from agency officials about these discrepancies. We also interviewed officials to discuss actions agencies have taken to address the potentially duplicative investments and reviewed supporting documentation.

All work on which this testimony is based was performed in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained

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[4]The exhibit 53 identifies all IT projects—both major and non-major—and their associated costs within a federal organization. Information included on agency exhibit 53s is designed, in part, to help OMB better understand what agencies are spending on IT investments.

[5]Certain investments were not placed in groups because the investment descriptions were too broad. Additionally, IT investments identified as Funding Contributions were not included, since they are managed by other agencies.

[6]The FEA is intended to provide federal agencies and other decision-makers with a common frame of reference or taxonomy for informing agencies' individual enterprise architecture efforts and their planned and ongoing investment activities, and to do so in a way that identifies opportunities for avoiding duplication of effort and launching initiatives to establish and implement common, reusable, and interoperable solutions across agency boundaries.

provides a reasonable basis for our findings and conclusions based on our audit objective.

Background

Information technology should enable government to better serve the American people. However, according to OMB, despite spending more than $600 billion on IT over the past decade, the federal government has achieved little of the productivity improvements that private industry has realized from IT.[7] Too often, federal IT projects run over budget, behind schedule, or fail to deliver promised functionality. In combating this problem, proper oversight is critical. Both OMB and federal agencies have key roles and responsibilities for overseeing IT investment management. OMB is responsible for working with agencies to ensure investments are appropriately planned and justified. Additionally, each year, OMB and federal agencies work together to determine how much the government plans to spend on IT projects and how these funds are to be allocated.

OMB's IT Oversight Mechanisms

OMB uses the following mechanisms to help it fulfill oversight responsibilities of federal IT spending during the annual budget formulation process.

- OMB requires 27 federal departments and agencies[8] to provide information related to their IT investments, including agency IT investment portfolios (called exhibit 53s) and capital asset plans and business cases (called exhibit 300s).[9]

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[7]OMB, *25 Point Implementation Plan to Reform Federal Information Technology Management* (Washington, D.C.: December 2010).

[8]The 27 agencies are the Agency for International Development; the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; the Army Corps of Engineers; the Environmental Protection Agency; the General Services Administration; the National Aeronautics and Space Administration; the National Archives and Records Administration; the National Science Foundation; the Nuclear Regulatory Commission; the Office of Personnel Management; the Small Business Administration; the Smithsonian Institution; and the Social Security Administration.

[9]The exhibit 300s provide a business case for each major IT investment and allow OMB to monitor IT investments once they are funded. Agencies are required to provide information on each major investment's cost, schedule, and performance.

- In June 2009, OMB publicly deployed the IT Dashboard, which is intended to display near real-time information on the cost, schedule, and performance of all major IT investments.[10] For each major investment, the Dashboard provides performance ratings on cost and schedule, a chief information officer (CIO) evaluation, and an overall rating. The CIO evaluation is based on his or her evaluation of the performance of each investment and takes into consideration multiple variables. The CIO also has the ability to provide written comments regarding the status of each investment.

According to OMB, the public display of investment data on the IT Dashboard is intended to allow OMB, other oversight bodies, and the general public to hold government agencies accountable for results and progress. In addition, the Dashboard allows users to download exhibit 53 data, which provide details on the more than 7,200 federal IT investments (totaling $78.8 billion in planned spending for fiscal year 2011).

As we have previously reported, while the IT Dashboard provides IT investment information for 27 federal agencies, it does not include any information about 61 other agencies' investments.[11] Specifically, it does not include information from 58 independent executive branch agencies and 3 other agencies. It also does not include information from the legislative or judicial branch agencies. Accordingly, we recommended that OMB specify which executive branch agencies are included when discussing the annual federal IT investment portfolio. OMB disagreed with this recommendation, stating that the agencies included in the federal IT portfolio are already identified in OMB guidance and on the IT Dashboard. However, we maintained that the recommendation had not been fully addressed because OMB officials frequently refer to the federal IT portfolio without clarifying that it does not include all agencies.

[10]According to OMB guidance, a major investment is a system or acquisition requiring special management attention because of its importance to the mission or function of the agency, a component of the agency, or another organization; is for financial management and obligates more than $500,000 annually; has significant program or policy implications; has high executive visibility; has high development, operating, or maintenance costs; is funded through other than direct appropriations; or is defined as major by the agency's capital planning and investment control process.

[11]GAO-11-826.

Agencies Spend Billions on Poorly Performing IT Investments

Despite OMB's oversight mechanisms, the federal government spends billions of dollars on poorly performing IT investments, as the following examples illustrate:

- In February 2010, the Defense Integrated Military Human Resources System was canceled after 10 years of development and approximately $850 million spent, due, in part, to a lack of strategic alignment, governance, and requirements management, as well as the overall size and scope of the effort.[12]
- In January 2011, the Secretary of Homeland Security ended the Secure Border Initiative Network program after spending about $1.5 billion because it did not meet cost-effectiveness and viability standards.[13]
- In February 2011, the Office of Personnel Management canceled its Retirement Systems Modernization program, after several years of trying to improve the implementation of this investment.[14] According to the Office of Personnel Management, it spent approximately $231 million on this investment.

Additionally, as of August 2011, according to the IT Dashboard, 261 of the federal government's approximately 800 major IT investments—totaling almost $18 billion—are in need of management attention (rated "yellow" to indicate the need for attention or "red" to indicate significant concerns).[15] (See fig. 1.)
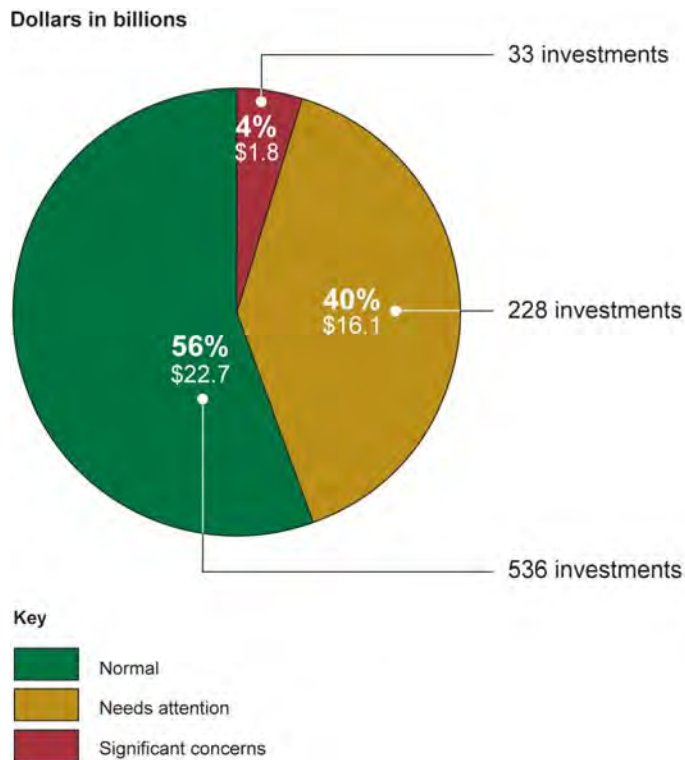
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[12]Advance Policy Questions for Testimony of Elizabeth A. McGrath to be Deputy Chief Management Officer of the Department of Defense, http://armed-services.senate.gov/statemnt/2010/03%20March/McGrath%2003-23-10.pdf (Washington, D.C.: March 2010).

[13]GAO, *Border Security: Preliminary Observations on the Status of Key Southwest Border Technology Programs*, GAO-11-448T (Washington, D.C.: Mar. 15, 2011).

[14]GAO, *OPM Retirement Modernization: Longstanding Information Technology Management Weaknesses Need to Be Addressed,* GAO-12-226T (Washington, D.C.: Nov. 15, 2011).

[15]The approximately 800 major IT investments total about $40.6 billion for fiscal year 2011.

Figure 1: Overall Performance Ratings of Major IT Investments on the Dashboard, as of August 2011

Dollars in billions

33 investments

4%
$1.8

40%
$16.1

228 investments

56%
$22.7

536 investments

Key

Normal

Needs attention

Significant concerns

Source: OMB's IT Dashboard.

In recognizing that wasteful spending continues to plague IT investment management, OMB has recently implemented additional efforts to address this problem. These efforts include the following:

- *TechStat reviews.* In January 2010, the Federal CIO began leading reviews—known as "TechStat" sessions—of selected IT investments involving OMB and agency leadership to increase accountability and transparency and improve performance. OMB officials stated that, as of December 2010, 58 sessions had been held and resulted in improvements to or termination of IT investments with performance problems. In addition, OMB has identified 26 additional high-priority IT projects and plans to develop corrective action plans with agencies at future TechStat sessions. According to the former Federal CIO, OMB's efforts to improve management and oversight of IT investments have resulted in $3 billion in savings.
- *IT reform.* In December 2010, the Federal CIO issued a *25 Point Implementation Plan to Reform Federal Information Technology*
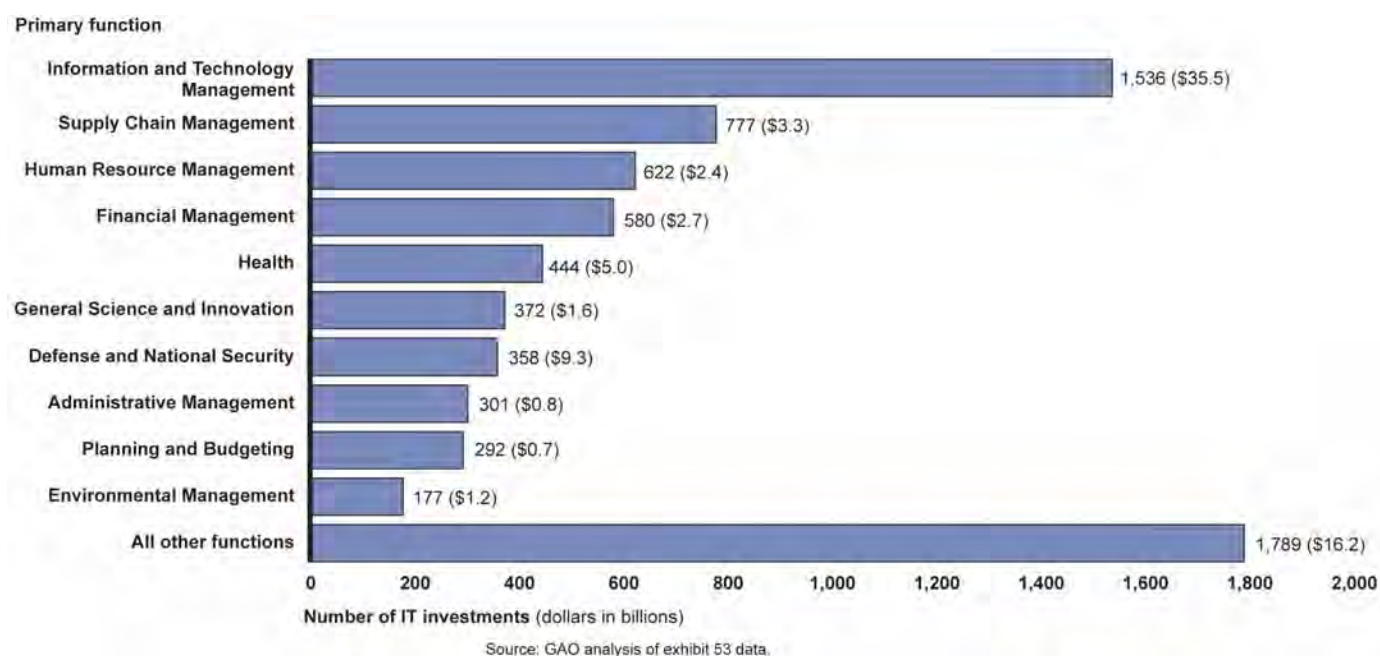
Management. This 18-month plan specified five major goals: strengthening program management, streamlining governance and improving accountability, increasing engagement with industry, aligning the acquisition and budget processes with the technology cycle, and applying "light technology" and shared solutions. As part of this plan, OMB outlined actions to, among other things, strengthen agencies' investment review boards and consolidate federal data centers. The plan stated that OMB will work with Congress to consolidate commodity IT spending (e.g., e-mail, data centers, content management systems, and web infrastructure) under agency CIOs. Further, the plan called for the role of federal agency CIOs to focus more on IT portfolio management.

Categorization of IT Investments Is Intended to Facilitate Identification of Similar IT Investments

In addition to these efforts to improve government spending on IT, avoiding unnecessary duplicative investments is critically important. In February 2002, OMB established the FEA initiative. According to OMB, the FEA is intended to facilitate governmentwide improvement through cross-agency analysis and identification of duplicative investments, gaps, and opportunities for collaboration, interoperability, and integration within and across agency programs. Since the fiscal year 2004 budget cycle, OMB has required agencies to categorize their IT investments in their annual exhibit 53s according to primary function and sub-function.

In their fiscal year 2011 submissions, agencies reported the greatest number of IT investments in Information and Technology Management (1,536 investments), followed by Supply Chain Management (777 investments), and Human Resource Management (622 investments). Similarly, planned expenditures on investments were greatest in Information and Technology Management, at about $35.5 billion. Figure 2 depicts, by primary function, the total number of investments within the 27 federal agencies that report to the IT Dashboard.

Figure 2: Number of Government IT Investments by Primary Function, as of July 2011

Primary function

Information and Technology Management	1,536 ($35.5)
Supply Chain Management	777 ($3.3)
Human Resource Management	622 ($2.4)
Financial Management	580 ($2.7)
Health	444 ($5.0)
General Science and Innovation	372 ($1.6)
Defense and National Security	358 ($9.3)
Administrative Management	301 ($0.8)
Planning and Budgeting	292 ($0.7)
Environmental Management	177 ($1.2)
All other functions	1,789 ($16.2)

Number of IT investments (dollars in billions)

Source: GAO analysis of exhibit 53 data.

Additionally, agencies were required to choose a sub-function for each investment related to the primary function.

GAO Has Previously Reported on Potential Duplication and the Challenges of Identifying Duplicative Investments

During the past several years, we have issued multiple reports and testimonies and made numerous recommendations to OMB and federal

agencies to identify and reduce duplication within the federal government's portfolio of IT investments.[16]

In March 2011, we reported an overview of federal programs and functional areas where unnecessary duplication, overlap, or fragmentation existed.[17] Specifically, we identified 34 areas where agencies, offices, or initiatives had similar or overlapping objectives or provided similar services to the same populations, or where government missions were fragmented across multiple agencies or programs. The report touched on hundreds of federal programs, including IT programs, affecting virtually all major federal departments and agencies.

We reported that overlap and fragmentation among government programs or activities could be harbingers of unnecessary duplication. Thus, the reduction or elimination of duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services. For example, we reported that, according to OMB, the number of federal data centers (defined as data processing and storage facilities) grew from 432 in 1998 to more than 2,000 in 2010. These data centers often house similar types of equipment and provide similar processing and storage capabilities. These factors have led to concerns associated with the provision of redundant capabilities, the underutilization of resources, and the significant consumption of energy. Operating such a large number of centers places costly demands on the government. In an effort to address these inefficiencies, in February 2010, OMB launched the Federal Data Center

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[16]GAO, *IT Dashboard: Accuracy Has Improved, and Additional Efforts Are Under Way to Better Inform Decision Making,* GAO-12-210 (Washington, D.C.: Nov. 7, 2011); GAO-11-826; *Information Technology: OMB Has Made Improvements to Its Dashboard, but Further Work Is Needed by Agencies and OMB to Ensure Data Accuracy,* GAO-11-262 (Washington, D.C.: Mar. 15, 2011); *Information Technology: OMB's Dashboard Has Increased Transparency and Oversight, but Improvements Needed*, GAO-10-701 (Washington, D.C.: July 16, 2010); *Information Technology: Management and Oversight of Projects Totaling Billions of Dollars Need Attention*, GAO-09-624T (Washington, D.C.: Apr. 28, 2009); *Information Technology: OMB and Agencies Need to Improve Planning, Management, and Oversight of Projects Totaling Billions of Dollars*, GAO-08-1051T (Washington, D.C.: July 31, 2008); *Information Technology: Further Improvements Needed to Identify and Oversee Poorly Planned and Performing Projects*, GAO-07-1211T (Washington, D.C.: Sept. 20, 2007); *Information Technology: Improvements Needed to More Accurately Identify and Better Oversee Risky Projects Totaling Billions of Dollars*, GAO-06-1099T (Washington, D.C.: Sept. 7, 2006); *Information Technology: Agencies and OMB Should Strengthen Processes for Identifying and Overseeing High Risk Projects*, GAO-06-647 (Washington, D.C.: June 15, 2006).

[17]GAO-11-318SP.

Consolidation Initiative to guide federal agencies in consolidating data centers. Specifically, OMB and agencies plan to close more than 950 of the over 2,100 federal data centers by 2015. As of November 2011, agencies reported that a total of 149 data centers have been closed across the federal government. For example, 16 DOD data centers, 3 DOE centers, and 7 DHS centers have been closed.

In September 2011, we reported that limitations in OMB's guidance hindered efforts to identify IT duplication.[18] Specifically, OMB guidance stated that each IT investment needs to be mapped to a single functional category within the FEA to allow for the identification and analysis of potentially duplicative investments across agencies. We noted that this limits OMB's ability to identify potentially duplicative investments both within and across agencies because similar investments may be organized under different functions. Accordingly, we recommended that OMB revise guidance to federal agencies on categorizing IT investments to ensure that the categorizations are clear and that it allow agencies to choose secondary categories, where applicable. OMB officials generally agreed with this recommendation and stated that they plan to update the FEA reference models to provide additional clarity on how agencies should characterize investments in order to enhance the identification of potentially duplicative investments.

We also reported that results of OMB initiatives to identify potentially duplicative investments were mixed and that several federal agencies did not routinely assess their entire IT portfolios to identify and remove or consolidate duplicative systems. Specifically, we said that most of OMB's recent initiatives have not yet demonstrated results, and several agencies did not routinely assess legacy systems to determine if they are duplicative. As a result, we recommended that OMB require federal agencies to report the steps they take to ensure that their IT investments are not duplicative as part of their annual budget and IT investment submissions. OMB generally agreed with this recommendation.

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[18]GAO-11-826.

Selected Agencies Have Potentially Duplicative Investments; DOD and DOE Need to Do More to Address Them

Although the Departments of Defense, Energy, and Homeland Security utilize various processes to prevent and reduce investment in duplicative programs and systems, potentially duplicative IT investments exist. Further complicating agencies' ability to identify and address duplicative investments is miscategorization of investments within agencies. Each of the agencies has recently initiated plans to address many of these investments. DHS's efforts have resulted in the identification and elimination of duplication, but DOD's and DOE's initiatives have not yet led to the elimination or consolidation of duplicative investments or functionality. Until DOD and DOE demonstrate progress on their efforts to identify and eliminate duplicative investments, and correctly categorize investments, it will remain unclear whether they are avoiding investment in unnecessary systems.

Potentially Duplicative IT Investments Exist at Selected Agencies

Each of the agencies we reviewed has IT investment management processes in place that are, in part, intended to prevent, identify, and eliminate unnecessary duplicative investments. For example, DOD's *Information Technology Portfolio Management Implementation* guide requires the evaluation of existing systems to identify duplication and determine whether to maintain, upgrade, delete, or replace identified systems. Similarly, DOE's *Guide to IT Capital Planning and Investment Control* specifies that investment business case summaries should be reviewed for redundancies and opportunities for collaboration. Additionally, according to DHS's *Capital Planning and Investment Control Guide*, proposed investments must be reviewed at the department level to determine if the proposed need is, among other things, being fulfilled by another DHS program, or already fulfilled by an existing capability.

Even with such investment review processes, of the 810 investments we reviewed,[19] we identified 37 potentially duplicative investments at DOD and DOE within three FEA categories (Human Resource Management,

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[19]We reviewed 11 percent of the total number of IT investments that agencies report to OMB through the IT Dashboard (810 of 7,227). The investments we reviewed represent approximately 24 percent of DOD's IT portfolio in terms of the number of investments reported to the Dashboard, 19 percent of DOE's, and 16 percent of DHS's.

Information and Technology Management, and Supply Chain Management).[20] These investments account for about $1.2 billion in total IT spending for fiscal years 2007 through 2012. Specifically, we identified

- 31 potentially duplicative investments totaling approximately $1.2 billion at DOD, and
- 6 potentially duplicative investments totaling approximately $8 million at DOE.

The 37 investments comprise 12 groups of investments that appear to have duplicative purposes based on our analysis of each investment's description, budget information, and other supporting documentation from agency officials (see table 1). For example, we identified three investments at DOE that were each responsible for managing the back-end infrastructure at three different locations. We also identified four DOD Navy personnel assignment investments—one system for officers, one for enlisted personnel, one for reservists, and a general assignment system—each of which is responsible for managing similar assignment functions. Additionally, the Air Force has five investments that are each responsible for contract management, and within the Navy there are another five contract management investments. Table 1 summarizes the 12 groups of potentially duplicative investments we identified by purpose and agency.

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[20]Within the three selected functions, we narrowed our review to the following seven sub-functions: Benefits Management, Organization and Position Management, Employee Performance Management, Information Management, Information Security, Inventory Control, and Goods Acquisition.

Table 1: Potentially Duplicative Investments

Dollars in millions

Department	Branch or bureau	Purpose	Number of investments	Planned and actual spending fiscal years 2007-2012
DOD	Air Force	Contract Management	5	$41
	Army	Personnel Assignment Management	2	$12
	Navy	Acquisition Management	4	$407
		Aviation Maintenance and Logistics	2	$85
		Contract Management	5	$17
		Housing Management	2	$5
		Personnel Assignment Management	4	$28
		Promotion Rating	2	$3
		Workforce Management	3	$109
	DOD Enterprisewide	Civilian Personnel Management	2	$504
DOE	Energy Programs	Back-end Infrastructure	3	$1
	Energy Programs & Environmental and Other Defense Activities	Electronic Records and Document Management	3	$7
		Total	**37**	**$1,219**

Source: GAO analysis of agencies' data.

We did not identify any potentially duplicative investments at DHS within our sample; however, DHS has independently identified several duplicative investments and systems. Specifically, DHS officials have identified and, more importantly, reduced duplicative functionality in four investments by consolidating or eliminating certain systems within each of these investments, including a personnel security investment, time and attendance investment, human resources investment, and an information network investment. DHS officials have also identified 38 additional systems that they have determined to be duplicative. For example, officials identified multiple personnel action processing systems that could be consolidated.

Officials from the three agencies reported that duplicative investments exist for a number of reasons, including decentralized governance within the departments and a lack of control over contractor facilities. For example, DOE investments for the management of back-end infrastructure are for facilities which DOE oversees but does not control. In addition, DOD officials indicated that a key reason for potential duplication at the Department of the Navy is that it had traditionally used a

decentralized IT management approach, which allowed offices to develop systems independent of any other office's IT needs or acquisitions.

Further complicating the agencies' ability to prevent investment in duplicative systems or programs is the miscategorization of investments. Among the 810 investments we reviewed, we identified 22 investments where the selected agencies assigned incorrect FEA primary functions or sub-functions. Specifically, we identified 13 miscategorized investments at DOD, 4 at DOE, and 5 at DHS. For example, DHS's Federal Emergency Management Agency—Minor Personnel/Training Systems investment was initially categorized within the Employee Performance Management sub-function, but DHS agreed that this investment should be assigned to the Human Resources Development sub-function.

Agency officials agreed that they had inadvertently miscategorized 15 of the 22 investments we identified. However, proper categorization is necessary in order to analyze and identify duplicative investments, both within and across agencies. Each improper categorization represents a possible missed opportunity to identify and eliminate an unjustified duplicative investment. Until agencies correctly categorize their investments, they cannot be confident that their investments are not duplicative and are justified, and they may continue expending valuable resources developing and maintaining unnecessarily duplicative systems.

Therefore, we recommended in our report that the agencies correct the miscategorizations for the investments we identified and ensure that investments are correctly categorized in agency submissions. In response, DOD stated that it agreed, and will attempt to make the categorization changes for certain investments in its fiscal year 2013 submission. DHS also agreed with the recommendation, and provided documentation showing that the department had recently corrected the miscategorizations for each of the investments we identified. DOE agreed that two of the four investments we identified could be recategorized, and reported that the department has made those changes. However, DOE disagreed that the other two investments we identified were miscategorized, explaining that its categorizations reflect funding considerations. However, OMB guidance indicates that investments should be classified according to their intended purpose. Consequently, we believe the recommendation is warranted.

Agencies Have Recently Initiated Plans to Address Potential Duplication in Many Investments, but Results Have Yet to Be Realized at DOD and DOE

DHS has taken action to improve its processes for identifying and eliminating duplicative investments, which has produced tangible results. Specifically, in 2010 and 2011, the DHS CIO conducted program and portfolio reviews of hundreds of IT investments and systems. DHS evaluated portfolios of investments within its components to avoid investing in systems that are duplicative or overlapping, and to identify and leverage investments across the department. Among other things, this effort contributed to the identification and consolidation of duplicative functionality within four investments. DHS also has plans to further consolidate systems within these investments by 2014, which is expected to produce approximately $41 million in cost savings. The portfolio reviews also contributed to the identification of 38 additional systems that are duplicative. For example, officials identified multiple personnel action processing systems that could be consolidated.

DOD has begun taking action to address 29 of the 31 duplicative investments we identified. For example, according to DOD officials, four of the DOD Navy acquisition management investments—two for Naval Sea Systems Command and two for Space and Naval Warfare Systems Command—will be reviewed to determine whether these multiple support systems are necessary. In addition, DOD reported that the Air Force is in the process of developing a single contract writing system to replace the five potentially duplicative investments we have identified. Moreover, the Department of the Navy has implemented an executive oversight board that is chaired by the Navy CIO, and it is now the Navy's single senior information management and technology policy and governance forum. The Department of the Navy also required all IT expenditures greater than $100,000 to be centrally reviewed and approved by the Navy CIO to ensure that they are not duplicative. Officials reported that these initiatives will include the review of Navy's 22 potentially duplicative investments that we identified.

Similarly, DOE has plans under way to address each of the 6 investments we identified as potentially duplicative. Specifically, DOE officials established working groups that are addressing the two groups of duplicative investments we identified. These working groups are to address records management and back-end infrastructure, and are looking across the department to minimize redundancy in each of these areas. In addition, the CIO stated that DOE has developed a departmental strategy for electronic records management whereby a small number of approved records management applications will be

identified for departmentwide use. Moreover, in a broader effort to reduce duplication across the department, in September and October 2011, DOE held technical strategic reviews, known as "TechStrat" sessions, which are aimed at exploring opportunities to consolidate DOE's commodity IT services, such as e-mail and help desk support, among the various DOE offices. The first two sessions provided opportunities for DOE bureaus to identify and share lessons learned, and established action items to improve DOE's IT investment portfolio.

While these efforts could eventually yield results, DOD's and DOE's initiatives have not yet led to the consolidation or elimination of duplication. For example, while DOD provided us with documented milestones—several of which have passed—for improving the Department of the Navy's IT investment review processes, officials did not provide us with any examples of duplicative investments that they had consolidated or eliminated. Similarly, while DOE officials have documented time frames for consolidating DOE's commodity IT services, electronic records management investments, and identity management investments, officials were unable to demonstrate that they have consolidated or eliminated unjustified duplicative investments.

Additionally, DOD does not have plans under way to address the remaining 2 of the 31 potentially duplicative investments, which are two civilian personnel management investments. Specifically, DOD officials stated that they do not have plans to address these two investments because they do not agree that they are potentially duplicative. However, agency officials were unable to demonstrate that investing in these systems and programs was justified.

Until DOD and DOE demonstrate, through existing transparency mechanisms, such as OMB's IT Dashboard, that they are making progress in identifying and eliminating duplicative investments, it will remain unclear whether they are avoiding investment in unnecessary systems. Therefore, we recommended that these two agencies utilize existing transparency mechanisms, such as the IT Dashboard, to report on the results of their departments' efforts to identify and eliminate, where appropriate, each potentially duplicative investment we identified, as well as any other duplicative investments. In response to our report, DOD and DOE stated that they agreed with the recommendation. Additionally, DOE added that for the non-major investments that we identified as being potentially duplicative, it will update GAO on its progress through means other than the IT Dashboard, since non-major investments are not individually tracked on the Dashboard.

In summary, while agencies have various investment review processes in place that are partially designed to avoid investing in systems that are duplicative, we have identified 37 potentially duplicative investments at DOD and DOE that account for about $1.2 billion in total IT spending for fiscal years 2007 through 2012. Given that our review covered 11 percent (810 investments) of the total number of IT investments that agencies report to OMB, it raises questions about how much more potential duplication exists.

DHS's recent efforts have resulted in the identification and consolidation of duplicative functionality in several investments and related systems. DOD and DOE have also recently initiated plans to address many investments that we identified, but these recent initiatives have not yet resulted in the consolidation or elimination of duplicative investments or functionality. Further complicating agencies' ability to prevent, identify, and eliminate duplicative investments is miscategorization of investments within agencies. Implementation of our recommendations should provide better assurance that agencies are avoiding investment in unnecessary systems.

Chairman Lankford, Ranking Member Connolly, and Members of the Subcommittee, this concludes my statement. I would be happy to answer any questions at this time.

GAO Contact and Staff Acknowledgments

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